# CITY AND BOROUGH OF JUNEAU

## EXPENDITURES OF FEDERAL AWARDS REPORTS

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Assembly
City and Borough of Juneau, Alaska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough of Juneau, Alaska (City and Borough) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City and Borough’s basic financial statements, and have issued our report thereon dated December 10, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City and Borough’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City and Borough’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City and Borough’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City and Borough’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ERM

December 10, 2014
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Members of the Assembly
City and Borough of Juneau, Alaska

Report on Compliance for Each Major Federal Program

We have audited the City and Borough of Juneau, Alaska’s (City and Borough’s) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City and Borough’s major federal programs for the year ended June 30, 2014. The City and Borough’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

The City and Borough’s financial statements include the operations of the City and Borough of Juneau School District, which received $4,321,268 in federal awards which are not included in the schedule during the year ended June 30, 2014. Our compliance audit, described below, did not include the operations of the City and Borough of Juneau School District because the component unit had its own audit in accordance with Circular A-133.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City and Borough’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City and Borough’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City and Borough’s compliance.
Opinion on Each Major Federal Program

In our opinion, the City and Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the City and Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City and Borough’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City and Borough’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and Borough as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City and Borough’s basic financial statements. We issued our report thereon dated December 10, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the
auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

ERM

December 10, 2014
## CITY AND BOROUGH OF JUNEAU

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2014

<table>
<thead>
<tr>
<th>Federal grant or/pass-through grant or/program title</th>
<th>Pass-through grantor's number</th>
<th>Catalogue of Federal Domestic Assistance number</th>
<th>Program or award amount</th>
<th>Receivable (deferral) at June 30, 2013</th>
<th>Amount received</th>
<th>Expenditures</th>
<th>Receivable (deferral) at June 30, 2014</th>
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<tbody>
<tr>
<td><strong>U.S. Department of Homeland Security:</strong></td>
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<tr>
<td>Port Security Grant Program</td>
<td>EMW-2013-PU-00497-S01</td>
<td>97.056</td>
<td>$75,000</td>
<td>$563</td>
<td>$3,376</td>
<td>$2,813</td>
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<td>Staffing for Adequate Fire and Emergency Response (SAFER)</td>
<td>2008-FF-00417</td>
<td>97.083</td>
<td>365,985</td>
<td>135,808</td>
<td>42,365</td>
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<td>93,443</td>
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<td>FY2010 Assistance to Firefighters Grant Program - Operations and Safety</td>
<td>EMW-2010-FG-02851</td>
<td>97.044</td>
<td>39,654</td>
<td>-</td>
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<td>-</td>
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<td><strong>State Pass-Through Grants:</strong></td>
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<tr>
<td>Alaska Department of Commerce, Community, and Economic Development:</td>
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<td>Community Assistance Programs-SSSE</td>
<td>AR# 29820</td>
<td>97.023</td>
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<td>-</td>
<td>-</td>
<td>5,542</td>
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<td><strong>Alaska Department of Military and Veterans Affairs:</strong></td>
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<tr>
<td>2011 State Homeland Security Grant Program</td>
<td>11SHSP-GR34076</td>
<td>97.067</td>
<td>184,033</td>
<td>62,156</td>
<td>150,852</td>
<td>121,871</td>
<td>33,175</td>
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<td>2012 State Homeland Security Grant Program</td>
<td>12SHSP-GR34077</td>
<td>97.067</td>
<td>235,642</td>
<td>3,434</td>
<td>5,276</td>
<td>226,644</td>
<td>224,802</td>
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<tr>
<td>2013 State Homeland Security Grant Program</td>
<td>13SHSP-GR34078</td>
<td>97.067</td>
<td>144,549</td>
<td>-</td>
<td>-</td>
<td>4,613</td>
<td>4,613</td>
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<tr>
<td>2011 Metropolitan Medical Response System Program</td>
<td>11MMRS-GR34076</td>
<td>97.067</td>
<td>267,609</td>
<td>25,676</td>
<td>137,929</td>
<td>238,884</td>
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<td>Total Homeland Security Cluster</td>
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<tr>
<td>Total U.S. Department of Homeland Security</td>
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<tr>
<td><strong>Mt. Juneau Active Avalanche Study for Local Hazard Mitigation Plan Update</strong></td>
<td>1796.0012</td>
<td>97.039</td>
<td>25,875</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total U.S. Department of Homeland Security</strong></td>
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See notes to schedule of expenditures of federal awards.

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<thead>
<tr>
<th>Federal grant or/pass-through grant or/program title</th>
<th>Pass-through grantor's number</th>
<th>Catalogue of Domestic Assistance number</th>
<th>Program or award amount</th>
<th>Receivable (deferral) at June 30, 2013</th>
<th>Amount received</th>
<th>Expenditures</th>
<th>Receivable (deferral) at June 30, 2014</th>
</tr>
</thead>
</table>

**U.S. Department of Agriculture:**

State Pass-Through Grants:

- Alaska Department of Commerce, Community, and Economic Development:
  - Schools and Roads - Grants to States FY12, Title III Forest Timber Receipts
    - 10.665
    - 62,714
    - (62,714)
    - -
    - 22,263
    - (40,451)
  - Schools and Roads - Grants to States FY13, Title III Forest Timber Receipts
    - 10.665
    - 63,591
    - -
    - -
    - (63,591)
    - (63,591)
  - Schools and Roads - Grants to States FY14, Title III Forest Timber Receipts
    - 10.665
    - 51,024
    - -
    - 51,024
    - -
    - (51,024)
  - Schools and Roads - Grants to States FY14
    - 10.665
    - 619,571
    - -
    - 619,571
    - 619,571
    - -
    - **Total U.S. Department of Agriculture**
    - -
    - 796,900
    - (62,714)
    - 670,595
    - 578,243
    - (155,066)

**U.S. Department of Transportation:**

Federal Transit Administration:

State Pass-Through Grants:

- Alaska Department of Transportation and Public Facilities:
  - Rural Public Transit - Section 5311 Grant (FY13 Operating Grant)
    - 5311-13-101
    - 20.509
    - 1,000,000
    - 1,000,000
    - 1,000,000
    - -
    - -
  - Alaska Community Transit - Section 5311 Grant (FY14 Operating Grant)
    - 2511-14-0100
    - 20.509
    - 1,000,000
    - -
    - 1,000,000
    - 1,000,000
    - -
    - 2,000,000
    - 1,000,000
    - 2,000,000
    - 1,000,000
    - -
  - ARRA Replace/Rehabilitate Maintenance Facility and Equipment
    - AK-04-0030
    - 20.500
    - 400,000
    - -
    - -
    - 60,667
    - -
  - **Transit Services Programs Cluster**
    - Mobility Management
      - 5316-MM-12-101
      - 20.516
      - 25,000
      - 7,888
      - 7,888
      - -
      - -
    - Mobility Management
      - 5317-MM-12-101
      - 20.521
      - 15,000
      - 15,000
      - 15,000
      - -
      - -
  - **Total Transit Services Programs Cluster**
    - 40,000
    - 22,888
    - 22,888
    - -
    - -

Total Federal Transit Administration

- 2,440,000
- 1,022,888
- 2,083,555
- 1,060,667
- -

See notes to schedule of expenditures of federal awards.
**U.S. Department of Transportation (continued):**

**Federal Highway Administration:**

*State Pass-Through Grants:*

- **Highway Planning and Construction Cluster**
  - Alaska Department of Transportation and Public Facilities:
    - Auke Bay Coastal Trails Interpretive Program
      - SB-AK-2006-53541 20.205 71,040 598 668 85 15
  - Alaska Department of Natural Resources:
    - Juneau Trails Wayfinding Project
      - 10795054 20.219 36,680

- **Total Highway Planning and Construction Cluster**
  - 107,720 1,406 8,565

**National Highway Traffic Safety Administration:**

*State Pass-Through Grants:*

- Alaska Department of Transportation and Public Facilities:
  - Highway Safety Cluster
    - Seatbelt Overtime Enforcement FFY13
      - 402PT 13-06-00(A) 20.600 1,937 874 874
    - Seatbelt FFY13 Law Enforcement Liaison
      - 405K-13-04-00(D)-4 20.602 3,233 3,122 3,122

- **Total Highway Safety Cluster**
  - 5,170 5,396

- DUI Overtime Enforcement FFY13
  - 154AL-13-01-00(B) 20.607 14,969

- **Total National Highway Traffic Safety Administration**
  - 20,139 5,228

**Federal Motor Carrier Safety Administration:**

*State Pass-Through Grants:*

- Alaska Department of Transportation and Public Facilities:
  - Commercial Vehicle Inspection Training
    - 13-PD-002 20.218 8,940 6,201 6,201
    - Commercial Vehicle Inspection Training
      - 14-PD-002 20.218 7,830

- **Total Federal Motor Carrier Safety Administration**
  - 16,770 6,201

(continued)

See notes to schedule of expenditures of federal awards.
### CITY AND BOROUGH OF JUNEAU

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Year Ended June 30, 2014**

#### Federal Grant or/Pass-through Grant or/program title

<table>
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<tr>
<th>Catalogue of Federal Assistance number</th>
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<th>Amount received</th>
<th>Expenditures</th>
<th>Receivable (deferral) at June 30, 2014</th>
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### U.S. Department of Transportation (continued):

**Federal Aviation Administration:**

- **Airport Improvement Program:**
  - **Construct Runway Safety Area (RSA) Phase 3; Construct Aprons (NE & NW Quad Areas) Phase 3; Construct Snow Removal Equipment Building (SREB) Embankment & Mechanical Phase 2**
    - 3-02-0133-050-2009 20.106 16,556,356 - - 979,454 979,454
  - **Construct Snow Removal Equipment Building (SREB), Phase 2**
    - 3-02-0133-051-2011 20.106 1,441,744 28,549 123,252 87,388 (7,315)
  - **Construct Runway Safety Area (RSA) Runway 08/26, Phase 4**
    - 3-02-0133-052-2011 20.106 4,509,960 450,996 315,697 - 135,299
  - **Construct Runway Safety Area (RSA) Runway 08/26, Phase 6 (AIP 54)**
    - 3-02-0133-054-2011 20.106 7,233,027 492,589 1,904,369 1,532,384 120,604
  - **Construct Runway Safety Area (RSA), Phase 7 (AIP 55)**
    - 3-02-0133-055-2012 20.106 17,274,604 5,291,151 6,703,477 1,871,232 458,906
  - **Construct Runway Safety Area, Phase VIII (AIP 56)**
    - 3-02-0133-056-2012 20.106 5,500,000 550,000 385,000 - 165,000
  - **Construct Runway Safety Area, Phase 9 (AIP 57)**
    - 3-02-0133-057-2013 20.106 1,903,817 - 1,846,702 1,903,817 57,115
  - **Rehabilitate Runway 08/26 (Design)**
    - 3-02-0133-058-2013 20.106 1,171,875 - 985,336 1,062,018 76,682
  - **Update Airport Master Plan**
    - 3-02-0133-059-2013 20.106 703,125 - 6,431 22,035 15,604
  - **Rehabilitate Runway 08/26**
    - 3-02-0133-060-2014 20.106 18,322,726 - - 233 233

**Total Federal Aviation Administration**

- 74,617,234 6,813,285 12,270,264 7,458,561 2,001,582

**Total U.S. Department of Transportation**

- 77,201,863 7,841,575 14,373,813 8,563,563 2,031,325

### U.S. Department of the Interior:

**Office of the Secretary:**

- **Payments in Lieu of Taxes**
  - - 15.226 1,895,653 - 1,895,653 - (1,895,653)

**National Park Service:**

- **Empty Chair Project**
  - P13AP00123 15.933 80,000 - - 40,000 40,000

**State Pass-Through Grants:**

**Alaska Department of Natural Resources:**

- **Salt Water Pump House Stabilization - Treadwell Mine Complex**
  - 13595 15.904 19,564 - 2,964 19,564 16,600
- **Treadwell Mine: Signage**
  - 12571 15.904 16,500 6,210 15,797 9,587 -
- **Juneau Memorial Building Plan**
  - 12572 15.904 7,550 6,782 6,782 - -

- **Total**
  - 43,614 12,992 25,543 29,151 16,600

(continued)

See notes to schedule of expenditures of federal awards.
<table>
<thead>
<tr>
<th>Federal grant or/pass-through grant or/program title</th>
<th>Catalogue of Federal Domestic Assistance number</th>
<th>Program or award amount</th>
<th>Receivable (deferral) at June 30, 2013</th>
<th>Amount received</th>
<th>Expenditures</th>
<th>Receivable (deferral) at June 30, 2014</th>
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<td><strong>U.S. Department of the Interior (continued):</strong></td>
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<td>National Park Service (continued):</td>
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<td>State Pass-Through Grants:</td>
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<td>LWCF Fish Creek Improvements</td>
<td>02-00396</td>
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<td>233</td>
<td>583</td>
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<td>Statter Harbor Ramp Planning</td>
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<td>Aurora Harbor Pump Out Stations</td>
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<td>Total Fish and Wildlife Service</td>
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<td>Alaska Department of Commerce, Community, and Economic Development:</td>
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<tr>
<td>Habitat Mapping and Analysis Project</td>
<td>10-CIAP-009</td>
<td>15.668</td>
<td>1,628,164</td>
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<tr>
<td>An Energy-Efficient Climate Control System for the Juneau-Douglas Museum</td>
<td>PF-50253-12</td>
<td>45.149</td>
<td>275,000</td>
<td>19,371</td>
<td>72,083</td>
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<td><strong>Institute of Museum and Library Services:</strong></td>
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<tr>
<td>State Pass-Through Grants:</td>
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<tr>
<td>Alaska Department of Education and Early Development:</td>
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<td>Continuing Education FY14</td>
<td>CED14743157</td>
<td>45.310</td>
<td>9,000</td>
<td>-</td>
<td>7,076</td>
<td>8,576</td>
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<td>Southeast Regional Books-by-Mail Service</td>
<td>RS-14-743-102</td>
<td>45.310</td>
<td>98,831</td>
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(continued)

See notes to schedule of expenditures of federal awards.
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<tr>
<th>Federal grant or/pass-through grant or/program title</th>
<th>Pass-through grantor's number</th>
<th>Catalogue of Federal Domestic Assistance number</th>
<th>Program or award amount</th>
<th>Receivable (deferral) at June 30, 2013</th>
<th>Amount received</th>
<th>Expenditures</th>
<th>Receivable (deferral) at June 30, 2014</th>
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<td><strong>U.S. Department of Commerce:</strong></td>
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<td>National Telecommunications and Information Administration:</td>
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<td>Alaska OWL (Online with Libraries) Project FY13</td>
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<td>2,793</td>
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<td>Health Resources and Services Administration:</td>
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<td>Pass-Through Grants:</td>
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<td>Software to Meet Meaningful Use</td>
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<td>93.912</td>
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<td>SHIP FFY13 - ICD-10 Upgrade</td>
<td>6H3HRH000026-12-00</td>
<td>93.301</td>
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<td>Alaska Department of Health and Social Services:</td>
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<td>Healthcare Organization Preparedness FFY13</td>
<td>1U90TP000501-02</td>
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<td>24,610</td>
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<td><strong>Total U.S. Department of Health and Human Services</strong></td>
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(continued)

See notes to schedule of expenditures of federal awards.
<table>
<thead>
<tr>
<th>Federal grant or/pass-through grant or/program title</th>
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<th>Amount received</th>
<th>Expenditures</th>
<th>Receivable (deferral) at June 30, 2014</th>
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<tr>
<td><strong>U.S. Department of Justice:</strong></td>
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<td>Office of Community Oriented Policing Services:</td>
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<td>COPS Hiring Program Grant</td>
<td>2011UMWX0001</td>
<td>16.710</td>
<td>567,452</td>
<td>108,332</td>
<td>254,781</td>
<td>195,251</td>
<td>48,802</td>
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<td>JAG Program Cluster</td>
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<td>Police Crisis Intervention Specialist - Continuation</td>
<td>2011-DJ-BX-2092</td>
<td>16.738</td>
<td>26,254</td>
<td>11,100</td>
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<tr>
<td>Police Equipment</td>
<td>2012-DJ-BX-0424</td>
<td>16.738</td>
<td>21,665</td>
<td>4,829</td>
<td>14,232</td>
<td>9,403</td>
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<td><strong>Total JAG Program Cluster</strong></td>
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<tr>
<td>Bullet Proof Vests</td>
<td>12063583</td>
<td>16.607</td>
<td>5,434</td>
<td>5,376</td>
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<td>Bullet Proof Vests</td>
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<td>2,889</td>
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<td>562</td>
<td>2,529</td>
<td>1,967</td>
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<td><strong>Total Bureau of Justice Assistance</strong></td>
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<td><strong>Total U.S. Department of Justice</strong></td>
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<td><strong>Total Federal Expenditures</strong></td>
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<td>$ 87,545,071</td>
<td>$ 8,426,799</td>
<td>$ 20,347,147</td>
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</table>

See notes to schedule of expenditures of federal awards.
CITY AND BOROUGH OF JUNEAU
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2014

General
The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the City and Borough of Juneau, Alaska (City and Borough). The City and Borough's reporting entity is defined in Note 1 to the City and Borough’s basic financial statements. Federal awards received directly from federal agencies, as well as federal financial assistance passed through the State of Alaska and other agencies, are included in the schedule.

Basis of Accounting
The accompanying schedule of expenditures of federal awards is presented using the modified-accrual basis of accounting, which is described in Note 1 to the City and Borough’s basic financial statements.

Negative Expenditures
The City and Borough’s FY13 schedule of expenditures of federal awards reported expenditures for the Schools and Roads – Grants to States FY13, Title III Forest Timber Receipts grant. In FY14 the City and Borough determined this grant funding has not been obligated, therefore negative expenditures are reported on the FY14 schedule of expenditures of federal awards to reestablish the deferred revenue amount.

Relationship to Basic Financial Statements
The following is a reconciliation of federal revenues reported in the City and Borough’s basic financial statements to federal expenditures reported in the schedule of expenditures of federal awards:

Federal revenues as reported in the basic financial statements:

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds $ 1,087,821
Statement of Changes in Revenues, Expenses and Changes in Net Assets - Proprietary Funds 143,992

Plus:
Amounts reported as federal expenditures in the Schedule of Expenditures of Federal Awards, but not reported as federal revenue in the basic financial statements:
Federal grants passed through the State of Alaska 2,516,509
Federal grant revenue sources reported as capital contributions in Airport and Port enterprise funds 7,539,786

Less:
Amounts reported as federal revenue in the basic financial statements but not included in the Schedule of Expenditures of Federal Awards:
Juneau International Airport Transportation Security Administration reimbursement reported as federal revenue (110,300)

Total federal expenditures per Schedule of Expenditures of Federal Awards $ 11,177,808
SUMMARY OF AUDITOR’S RESULTS

Financial Statements
Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
- Material weakness(es) identified? Yes x No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes x None reported
Noncompliance material to financial statements noted? Yes x No

Federal Awards
Type of auditor’s report issued on compliance for major programs: Unmodified

Internal control over major programs:
- Material weakness(es) identified? Yes x No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes x None reported
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes x No

Major programs:
<table>
<thead>
<tr>
<th>CFDA#</th>
<th>NAME</th>
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<tbody>
<tr>
<td>10.665</td>
<td>Schools and Roads</td>
</tr>
<tr>
<td>15.668</td>
<td>Habitat Mapping and Analysis Project</td>
</tr>
<tr>
<td>20.106</td>
<td>Airport Improvement Program</td>
</tr>
<tr>
<td>20.509</td>
<td>Rural Public Transit/Alaska Community Transit</td>
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<tr>
<td>97.067</td>
<td>Homeland Security Cluster</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between type A and type B programs: $335,334

Auditee qualified as low-risk auditee? x Yes ___ No
CITY AND BOROUGH OF JUNEAU
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

FINANCIAL STATEMENT FINDINGS

None to report for fiscal year 2014.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None to report for fiscal year 2014.
CITY AND BOROUGH OF JUNEAU
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2014

FINANCIAL STATEMENT FINDINGS
None reported for fiscal year 2013.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
None reported for fiscal year 2013.